<u>Committee Name:</u> Assembly Committee – Rural Affairs and Forestry (AC–RAF)

Appointments

99hr_AC-RAF_Appt_pt00

Committee Hearings

99hr_AC-RAF_CH_pt00

Committee Reports

99hr_AC-RAF_CR_pt00

Clearinghouse Rules 99hr_AC-RAF_CRule_99-084

Executive Sessions

99hr_AC-RAF_ES_pt00

Hearing Records

99hr_ab0000

99hr_sb0000

Misc.

99hr_AC-RAF_Misc_pt00

Record of Committee Proceedings

99hr_AC-RAF_RCP_pt00



State Representative • 6th Assembly District

Chair: Assembly Committee on Rural Affairs

MEMORANDUM

To:

Assembly Committee on Rural Affairs and Forestry Members

From:

Representative John Ainsworth, Chairperson

Date:

July 28, 1999

Re:

Clearinghouse Rule 99-084

On July 27, 1999, the following Clearinghouse Rule was referred to the Assembly Committee on Rural Affairs and Forestry:

Clearinghouse Rule 99-084, AN ORDER relating to the administration of the forest crop law and the managed forest law.

The deadline for committee action on this rule is August 27, 1999. If you would like a copy of the rule, or are interested in requesting a hearing, please contact my office prior to that date.



Toll-Free: (888) 529-0006 E-mail: Rep.Ainsworth@legis.state.wi.us O Printed on recycled paper

State of Wisconsin Department of Natural Resources

NOTICE TO PRESIDING OFFICERS

OF PROPOSED RULEMAKING

Pursuant to s. 227.19, Stats., notice is hereby given that final draft rules are being submitted to the presiding officer of each house of the legislature. The rules being submitted are:

Natural Resources Board Order No. $FR-21-99$
Legislative Council Rules Clearinghouse Number 99-084
Subject of Rules <u>administration</u> of the Forest Crop Law
and the Managed Forest Law
·
Date of Transmittal to Presiding Officers July 19, 1999

Send a copy of any correspondence or notices pertaining to this rule to:

Carol Turner, Rules Coordinator DNR Bureau of Legal Services LC/5, 101 South Webster

266-1959

REPORT TO LEGISLATURE

NR 46, Wis. Adm. Code
Administration of the Forest Crop Law and
the Managed Forest Law

Board Order No. FR-21-99 Clearinghouse Rule No. 99-084

Statement of Need

The proposed rule completes the annual stumpage rate adjustments as required in ss. 77.06(2) and 77.91(1), Stats., including the creation of new zones for stumpage calculations and to clarify buildings on Forest Crop Law and Managed Forest Law conversion applications sent in prior to the establishment of the new definition of "human residence" which have yet to be processed.

To more accurately reflect the actual prices received by landowners, this rule repeals and recreates s. NR 46.30(2)(a) to (c) to revise annual stumpage values used to calculate severance and yield taxes due on timber cut during the period from November 1, 1999 through October 31, 2000. Thirteen separate zones reflect varying stumpage values for different species and products across the state. The average price change for sawtimber is a 4.38% increase over current rates. The pulpwood proposed prices are, on the average, 23.61% higher compared to current prices. The zones were also modified to create 13 zones rather than the current 12 zones. This will eliminate the need to have a special 30% reduction on pine cordwood prices in 27 counties.

Modifications as a Result of Public Hearing

The number of zones was changed from 12 to 13, rather than 14 as originally proposed. Because the number of zones was modified and further information received on the prices received for the timber cut from forest tax law lands, the average increase in stumpage values for sawtimber was 4.38% rather than 6.97%. The average stumpage value for pulpwood was an increase of 23.61% rather than 32.44% as originally proposed.

Appearances at the Public Hearing and Their Position

In support - none

In opposition:

Christine M. Walroth, Consolidated Papers, Inc., P.O. Box 158, Rhinelander, WI 54501

As interest may appear:

Rob Kudick, Wausau-Mosinee Paper Corporation, 100 Main Street, Mosinee, WI 54455
Bill Hasse, Champion International Corporation, W6582 N. US Hwy. 2, P.O. Box 39,
Norway, Michigan 49870
Pete Hilders, Kretz Lumber Co., Inc., 1770 Lone Pine Lane, Mosinee, WI 54455

Pete Hilgers, Kretz Lumber Co., Inc., 1770 Lone Pine Lane, Mosinee, WI 54455 Doug Maurer, The Timber Company, 993 Kings Way, Nekoosa, WI 54457

Response to Legislative Council Rules Clearinghouse Report

The recommendations were accepted.

Final Regulatory Flexibility Analysis

This rule does affect small businesses. Small private forest landowners and forest industries enrolled under the Forest Crop Law and the Managed Forest Law are required to pay 10% and 5% respectively of the stumpage value adopted in the zone for the species and wood product volume cut from their land. Existing compliance and reporting procedures are defined by statute.

ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCES BOARD AMENDING AND REPEALING AND RECREATING RULES

The Wisconsin Natural Resources Board proposes)	
an order to amend NR 46.15(9) Note and repeal and)	
recreate NR 46.30(2)(a) to (d) relating to the administration)	FR-21-99
of the Forest Cron Law and the Managed Forest Law.)	

Analysis Prepared by the Department of Natural Resources

Statutory authority:

ss. 77.06(2), 77.91(1) and 227.11(2)(a), Stats.

Statutes interpreted:

ss. 77.06(2), and 77.91(1), Stats.

<u>Building Clarification Note:</u> The note of clarification following the definition of "Developed for human residence" is modified to exclude all land converted to the Managed Forest Law from the Forest Crop Law (under the window of conversion authorized by the legislature) from the changes in human residence definition.

Annual Stumpage Rate Adjustments: For purposes of the Forest Crop Law and The Managed Forest Law, this rule repeals and recreates s. NR 46.30(2)(a) to (c) to revise annual stumpage values used to calculate severance and yield taxes due on timber cut during the period from November 1, 1999 through October 31, 2000. Thirteen separate zones reflect varying stumpage values for different species and products across the state. The average price change for sawtimber is a 4.38% increase over current rates. The pulpwood proposed prices are, on the average, 23.61% higher compared to current prices.

The change to 13 zones is a change in the stumpage tables. The average price increase percentages were calculated on the 12 zones due to the lack of 13 zone pricing from last year.

Stumpage Rate Zone Changes: In an effort to simplify and more accurately represent the actual prices received for timber cut on Forest Crop Law and Managed Forest Law lands, this rule repeals and recreates s. NR 46.30(2)(d) to create 13 new zone designations from the old 12 for the stumpage rate tables. This will eliminate the need for a 30% reduction in stumpage rates for pine cordwood in 27 counties as presently established in the 12 zone configuration.

SECTION 1. NR 46.15(9) Note is amended to read:

Note: "Developed for human residence" is not meant to include storage or workshop buildings. If there is living space as part of such buildings, the living space will be compared against the 8 characteristics. This definition does not apply to entries in effect January 1, 1999 or lands converted from the forest crop law to the managed forest law under s.77.82(4m), Stats., except that those entries must adhere to the traditional domicile and landscaping definitions concerning buildings on MFL lands.

SECTION 2. NR 46.30(2)(a) to (d) are repealed and recreated to read:

NR 46.30 Stumpage Rates - 2000

2000 Rates - Effective Nov. 1, 1999 NR 46.30(2)(a)Stumpage Rates - Logs (stumpage value per thousand board feet measurement by the Scribner Decimal C log rule). NR 46.30(2)(a)Stumpage Rates - Logs (stumpage value per thousand board feet measurement by the Scribner Decimal C log rule).													
NR 46,30(2)(a)Stum	page Rates - Lo	gs (stump	age value i	A SILORDEII	6 DORIG 100	6	7	8	9	10			13
	1 .	2.	J	WAUSAU	WAU-	DODGE-	RHINE-	ADAMS	RICHLAND	HAY-	EAU	RIVER	SPARTA
2	WAUKESHA	GREEN	CRIVITZ	WACCAC	TOMA	VILLE	LANDER		CENTER	WARD	CLAIRE	FALLS	
		BAY	80.00	127.00	136.00	80.00	161.00	136.00	NA	80.00	80.00	80.00	80.00
Cedar	80.00	95.00	68,00		NA.	NA	68.00	NA	NA	65.00	68.00	63.00	68.00
Fir	NA NA	68.00	93.00		NA NA	NA NA	45.00	NA	NA	110.00	93.00	83.00	93.00
Hemlock	NA .	80.00	93.00	33.01	11/1	147.							
Pine			42.00	49.00	58.00	42.00	57.50	58.00	42.00	76.10	42.00	45.00	42.00
Jack	42.00	42.00	150.00				144.00	120.81	128.00	97.00	106.13	99.69	93.53
Red	95.00	135.00			170.00		145.00	155.00	132.00	136.93	102.00	96.00	140.00
White	95.00	148.00	140.00	105.00	94.00	65.00	92.17	94.00	78.00	59.80	81.00		
Spruce	75.00	80.00	122.00 26.00		26.00	26.00		20.00	26.00	40.00	26.00		
Tamarack	26.00	26.00			40.00	35.00	72,20	40.00	32.00	58.00	70.50		37.70
Aspen	35.00	78.00	56.00		120.00	178.00		120,40	118,70	129.63	185.00	134.91	138.00
Ash	190.00		182.00		98.00			106.43	168.00	153.11	187.46	165.85	135.00
Basswood	143.00	93.00	204.00	170.00	90.00	100.00							
Birch		455.00	450.00	175.00	161.00	66.00	164,19	161.00	96.00	93.00	110.00		
White	66.00		150.00		208.00			208,00		162.52	170.00	162.00	
Yellow	186.00		230,00		104.00		92.00	90.00	100.00	92.00	83.00	70.00	88.00
Elm	82.00	80.00	92.00	86.00	104.00	74	V-1.1.1						
Maple				285.00	240.00	318.00	252.70	215.00	378.67	236.00	284.00		
Sugar	309.70				140.00					115.70	160.54	115.82	141.90
Other	150.00	180.00	157,00	1/2.00	140.00	100.00	11,2,34						<u></u>
Oak :			200.00	362.42	325.00	385.00	300.00	367.38	334.97	310.00	335.00	295.00	
Red	438.62		<u> </u>							142.00	140.00	130.00	
White	216.54									88.00	128.5	4 126.9	
Other	150.00			-							127.9	5 115.00	
Other Hardwood	175.00				NA	609.89		NA	480.0) NA	400.0	0 400.0	400.00
Black Walnut	606.00	NA NA	NA_	NA NA	I NA	1 003.03	1 1917		seted within t				

NA - Not Applicable - This species/product is not normally harvested within this zone.

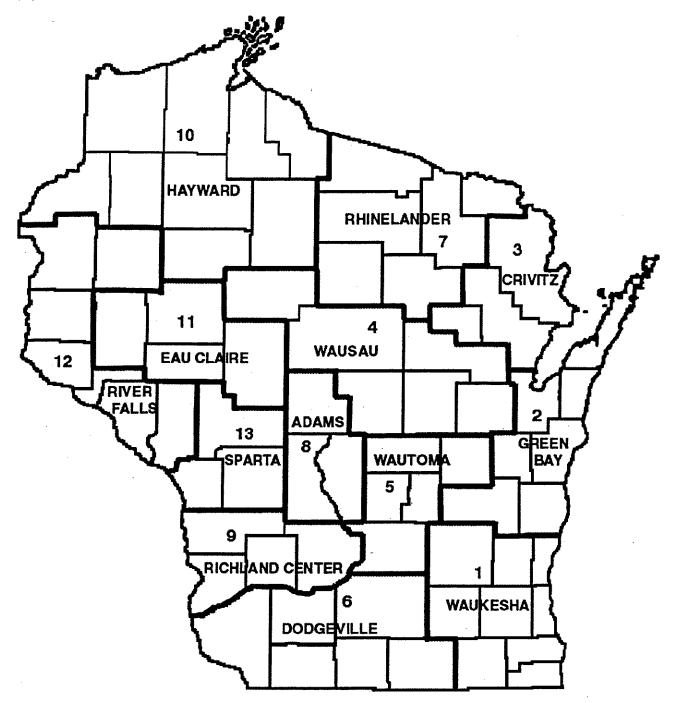
NR 46.30(2)(b) Cord Products - 128 cubic feet of wood, air and bark assuming careful piling.

R 46.30(2)(b) Cord P			_	_	_	6	7	8	9	10	11	12	13
	1	2 GREEN	3 CRIVITZ	4 WAUSAU	WAU-	DODGE- I	RHINE-	ADAMS	RICHLAND	HAY-	EAU	RIVER	SPART
:	WAUKESHA	BAY	CRIVITA	**AUUUAU	TOMA	VILLE	LANDER		CENTER	WARD	CLAIRE	FALLS	
			25.50	15.00		15.00	15.00	15.00	NA	13.00	22.00		
edar	18.00		21.80		NA	NA	11.10		NA	13.42	16.10		
ir	NA NA	18.00				NA NA	10.23		NA	8.25	9.90	8,30	9,1
emlock	NA NA	10.00	10.00	10,00	NA.	- 10.							
ine			40.00	24.00	32,93	22.00	42.00	32.00	24.00	30.10	27.98		
Jack	24.00		42.00				40.00			34.56	35.33	21.00	
Red	27.00						15,53			30.20	24.38	19.00	
White	20.00									21.00	14.76	20.00	
pruce	20.00									14.37	15.00	16.00	
amarack	16.00						19.91				20.89	19.16	18.
\spen	22.00			·				1			16.11	12.52	14.
Birch	15.00			·····							12.60	7.00	7.
asswood	10.00										11.19	B.91	10.
)ak	10.00											9.00	9
Other Hardwood	7.30											9.00	7.
uelwood	8.80	9.00	10.00	9.00	9.00	8.80	8.00		sted within th				

us as sacova) piece products (stumpage value per piece).

NR 46.30(2)(c) Piece	1 WAUKESHA	2 GREEN BAY	3 CRIVITZ	4 WAUSAU	5 WAU- TOMA	6 DODGE- VILLE	7 RHINE- LANDER	8 ADAMS	9 RICHLAND CENTER		11 EAU CLAIRE	12 RIVER FALLS	13 SPARTA
Posts & Poles				0.04	0,59	0.48	0.72	0.60	0.64	0.49	0.53	0.50	
7 and 8 ft.	0.48				1.77					1.46	1.59		
10 and 12 ft.	1.43									2.43	2.65	2.49	
14 and 16 ft.	2.38										5.27	4.95	4.6
18 and 20 ft.	4.72										7.56	7.11	6.6
21 and 30 ft.	6.77											12.27	11.5
31 and 40 ft.	11.70												17.2
11 and 50 ft.	17.49	24.86											23.7
1 and 60 ft.	24.16	34.34	38,15			24.16							31.1
61 and 70 ft.	31,60	44.91	49.90	42.25	39,25	31.60	47.90	40.15	72.50	J.,			
Christmas Trees									9.46	3.40	3.40	3,40	3.4
Unsheared	3.10	3.10	3,10	3.50	3.40								
Onsneared Sheared	4.50		4.50	4,50	4.50	4,50	4.50	4.50	4.50	4.50	4.50	1 7.04	1

(d) Map of severance and yield schedule zones



	The	forego	ing ru	les w	ere app	rove	d and	adop	ted b	y tl	he State	of Wiscon	sin Natural R	lesc	urce	s Board on
June	30,	1999	<u></u> •													
	~	1	-111	talca	affect	the	firet	day	of t	he	month	following	publication	in	the	Wisconsin

The rules shall take effect the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin	
	STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES
	By George E. Meyer, Secretary

(SEAL)

FISCAL ESTIMATE	i			2.Session
1,00/12 20 11111	• .		LRB or	Bill No./Adm. Rule No.
	1 ORIGINAL	D UPDATED	FR-2	1-99
	CORRECTED C	SUPPLEMENTAL	Amend	ment No. if Applicable
DOA-2048 (R 11/90)			· · · · · · · · · · · · · · · · · · ·	of far human maidenes" and
Subject Revision of Timbe evising NR 46.30(2)(d) creating a new	er Stumpage Rates in NR 46.30	0(2)(a) to (c)., amending NR 46.15(9) N	ote to the definition of develope	d for fluthair residence , and
evising NR 45.30(2)(0) creating a new Fiscal Effect	Set of zones for the dampage			
State: 5 No State Fiscal Effect				
Check columns below only if bill make	es a direct appropriation	Ì		ay be possible to Absorb
or affects a sum sufficient a	ppropri <u>atio</u> n		Within Agency's Budge	t LL17 Yes LL18 No
g Increase Existing Appropria	ation X10 Increase Existing	Revenues		
11 Decrease Existing Approp	oriation L12 Decrease Existin	ng Revenues	☐13 Decrease Costs	
14 Create New Appropriation				
Local: 15 No local government	costs .		1	
1. 16 increase Costs	3. 🖾 17	7 Increase Revenues	5. Types of Local Govern	
18 Permissive 19 Mandatory	, <u>Zzo</u> r	Permissive 21 Mandatory	22 Towns 223 V	
2. 25 Decrease Costs		Decrease Revenues	27 Counties L 28 C	
29 Permissive 30 Mandator	<u>, 'L81P</u>	ermissive 32 Mandatory	33 School Districts	34 VTAE Districts
Fund Sources Affected		1	Affected Ch. 20 Approp	riations
B5 GPR B6 FED B7 PR	O LL 138 PRS LA 139 SEG L	.40 SEG-S		
Assumptions Used in Arriving at Fig	scal Estimate			
		includes an average 4.38%		
average net change this, about 20% of the cordwood harvests. revenue of about \$11 revenue. The gross of the change of zone lines specific counties that volumes included dute the other aspect of the reffects on state or local this counties that the other aspect of the reffects on state or local this counties that the other aspect of the reffects on state or local this counties that the other aspect of the reffects on state or local this counties.	in cordwood prices. The gross revenue is for As a result, a 4.38% 1,020. A 23.61% incorreceipts are shared, as for the stumpage rate have changed zone uring a specific year. The change, a clarifical costs or revenues.	The severance and yield ta rom sawtimber harvests. I increase in sawtimber price rease in cordwood values we the towns receiving rough ates will have no overall fines. The actual impact is ha	Eighty percent of the reces will produce an incoming the state about \$25 by 50% and the state 5 scal impact, but will hard to due to the number efinition of "human related.	was \$1,257,842. Of evenue was related to crease in gross 37,580 in additional 60% of the revenue. ave some impacts to per of sales and the esidence has no fiscal
Long-Range Fiscal Im	plications			
	0.771	And and a Cinner of Pale	enhone No · \	Date / /
Agency/Prepared by: (Name	e c rnone No.)	Authorized Signature/Tele	ACO (ET)	6/18/99
Joe Polasek, 266-2794		Natural Resources	6-2794	06/18/99
		TATORAL INSOUTCES		1